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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 6, 2009

Certified Return Receipt
7003 2260 0002 0247 8393

Velina Miller
Quality Building Stone, Inc.
993 West 14730 South
Bluffdale, Utah 84065

Subject: Review of Reclamation Surety, Quality Building Stone, Inc., Italian Tan Mine, S/007/0038, Carbon County, Utah

Dear Ms. Miller:

The Division has recently evaluated and adjusted the required reclamation surety for Italian Tan Mine, per R647-4-113.6.12. The amount of the current bond is \$12,500.

You are currently authorized to mine up to five acres. During the June 23, 2005 inspection, representatives of Quality Building Stone and the Division used a GPS unit to locate an area of approximately 4.75 acres where mining would occur in the future. In the 2005 annual report, the last annual report the Division has on file, you reported that approximately 2 acres were disturbed.

The bond requirements are as follows:

Small Mining Operation Notices

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,300/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5-acres	(i.e. Maximum of 5 acres = \$7,400 + \$17,200 = \$24,600) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 + \$17,600 = \$25,200) (5-year escalation)	\$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance.



Based on the current maximum size of 5 acres as shown in your Notice of Intention (NOI), the bond amount must be escalated to \$24,600 for a three year escalation or \$25,200 for a five year escalation. An alternative would be for you to amend the NOI so that the maximum amount of disturbance would be two acres. In this case, the required surety amounts would be \$11,700 for a three-year escalation or \$12,000 for a five-year escalation.

Please provide the updated surety amount within 90 days of the date of this letter (November 4, 2009) or amend your NOI in order to reduce the maximum amount of disturbed acres to 2 acres. Failure to do so may result in the Division taking enforcement action.

Thank you for taking the appropriate action to maintain the surety in a current status. If you have any question please call me at 801 538-5261, or Wayne Western (lead) at 801 538-5263, or contact the bond coordinator, Penny Berry, at bondcoordinator@utah.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Mining Program Coordinator
Minerals Regulatory Program

PBB:ww:pb
cc: Penny Berry, DOGM
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